

DOGM
MINERALS PROGRAM
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M/023/004

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March 13, 1990

FEDERAL EXPRESS

Mr. George M. Wells, President
Ash Grove Cement West, Inc.
6720 S.W. Macadam Avenue, Suite 300
Portland, OR 97201

RECEIVED
MAR 14 1990

DIVISION OF
OIL, GAS & MINING

Re: Leamington Quarry Plant; Nielson Sandstone Quarry;
Navajo Sandstone Quarry
Juab County, Utah

Dear George:

In accordance with Erich Merrill's instructions, I am enclosing the following documents for execution on the part of Ash Grove Cement West, Inc. as the transferee of the United States Forest Service ("USFS") Plan of Operations for Leamington Quarry and Plant, and Utah Division of Oil, Gas & Mining ("DOGM") Notices of Intention to Conduct Mining Operations for all areas:

A. Leamington Quarry, M/023/004.

1. Four counterparts of DOGM form MR-TRL, (Transfer of Notice of Intention, Large Mining Operations), together with Appendix "A", but excluding the map showing disturbed areas.
2. Form of Certificate of Resolutions and Incumbency relating to the authority of George M. Wells to execute documents on behalf of Ash Grove Cement West, Inc.
3. Four counterparts of DOGM form MR-RC (Reclamation Contract) to which are attached Exhibit "A" (descriptions) and Exhibit "B" (USFS form of Reclamation Performance Bond).

B. Navajo Sandstone Quarry, M/023/010.

1. Four counterparts of DOGM form MR-TRL (Transfer of Notice of Intention, Large Mining Operation), together with Appendix "A", but excluding the map showing disturbed areas.

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2. Four counterparts of DOGM form MR-RC (Reclamation Contract) together with Exhibit "A" (descriptions) and Exhibit "B" (DOGM MR form 5 Bond).

C. Nielson Sandstone Quarry, M/023/012.

1. Four counterparts of DOGM form MR-TRL (Transfer of Notice of Intention, Large Mining Operation), together with Appendix "A", but excluding the map showing disturbed areas.
2. Four counterparts of form MR-RC (Reclamation Contract) together with Exhibit "A" (descriptions) and Exhibit "B" (DOGM MR form 5 Bond).

All copies of the above described documents should be executed and returned to this office for my further handling. Please note that Southwestern Cement Enterprises Inc., the current party of record for the Notices of Intention and USFS Plan of Operation has already executed the transfer documents. Following approval of the transfers and execution of all of the above documents, I will furnish fully executed complete sets to each of the parties.

In addition to the above, I am enclosing two (2) counterparts each of the following forms:

1. USFS form FS-6500-7 (5/79) (Reclamation Performance Bond) for the Leamington Quarry and other facilities in the amount of \$386,000.
2. DOGM MR form 5 (The Mined Land Reclamation Act Bond) for the Navajo Sandstone Quarry in the amount of \$15,000.
3. DOGM MR form 5 (The Mined Land Reclamation Act Bond) for the Nielson Sandstone Quarry in the amount of \$122,300.

The bonds must be secured and filed to replace existing bonds of Southwestern Cement Enterprises Inc. as part of the approval of transfer of the Notices of Intention/Plan of Operations which are the operating permits for the various facilities. You will note that each of the bonds must be executed by both the principal (Ash Grove Cement West, Inc.) and a qualified surety company. By definition, a qualified surety company is one which has been approved by the United States Department of the Treasury, Circular No. 570. On an annual basis, a schedule of qualified surety companies is published in the Federal Register. I am enclosing a few pages from the Federal Register of Friday, June 30, 1989, for your use in discussing qualified surety companies with the

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insurance broker for Ash Grove Cement West, Inc. The broker probably has the list in hand but, at any rate, it may be helpful to have this information determining a qualified surety if that is not the case.

With the exceptions of the bonds themselves, all of the above documents must be executed and returned to me not later than March 20th for filing with the Utah Board of Oil, Gas & Mining prior to an approval hearing scheduled March 22, 1990. I have reserved a time on the hearing agenda to complete the approval of the transfers.

It is not absolutely necessary that the bonds be available on that date. It will be sufficient if I can advise the name of the surety company prior to the hearing so that information can be added to page 2 of the Reclamation Contracts prior to execution by the regulatory agencies following the hearing.

If you have any questions or comments, please let me know.

Very truly yours,


O. W. Gushee, Jr.

OWG:jh
Enclosures
cc: Erich Merrill (w/o enclosures)
Wayne Hedberg (w/o enclosures)